WEEKLY ECONOMIC REVIEW

April 13, 2007

Alberta housing starts rebounded in March by 18.8% due to warmer weather, after a 13.3% decline in February. Housing starts averaged 48,600 annualized units in the first quarter, a 1.8% drop from the same period last year.

Canadian housing starts rebounded in March by 7.6% to an annual rate of 210,900 units. Despite this, housing starts were 10.4% lower than in the first quarter of 2006.

The cost of new housing in Alberta moderated to 1.3% in February as prices are stabilizing in Calgary. However, Edmonton posted a 2.9% increase in house prices. Alberta still leads the nation in housing costs with 35.7% growth year-to-date.

Canadian exports slowed in February by 2.1% from a record high in January due to a railway strike. Along with stable imports, Canada's trade surplus contracted by 16.2% to $4.8 billion.

In March, U.S. employment rose by 180,000, posting a higher-than-expected increase and contributing to the first quarter growth of 1.5%. The unemployment rate dipped to 4.4% from 4.5% in February. Stronger gains in employment lessened worries about the U.S. economy slowing too quickly, but increased concerns that the U.S. authorities will not cut interest rates any time soon.

Cdn Dollar (C¢/US$)

Apr	13, 2007	87.9¢
Apr	5, 2007	86.9¢
2007-08		87.0¢

WTI Oil US$/bbl

Apr	12, 2007	$63.85
Apr	4, 2007	$64.38
2007-08		$63.86

Nymex Natural Gas CS/mcf *
April Contract

Apr	13, 2007	$8.92
Apr	5, 2007	$8.72

*Estimate based on Nymex Futures Market Price

Although oil prices were basically unchanged by the end of this week, prices fell below the US$62/bbl on Monday. They rebounded later this week on the International Energy Agency's report that world oil output fell in March. A decline in gasoline inventories and refineries' troubles in the United States also supported prices.

The Canadian dollar reached its highest level in four months to around 88 cents as housing starts rebounded. Continued strength in commodities and weaker U.S. dollar are also supporting the currency.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month (Y/Y)	Year-to-date[1]
New House Price Index (1997=100)	**February**			
Alberta	237.9	1.3%	35.0%	35.7%
Canada	158.5	0.5%	9.7%	9.9%
Housing Starts (thousands)[2]	**March**			
Alberta	51.8	18.8%	-6.5%	-1.8%
Canada	210.9	7.6%	-14.8%	-10.4%
Canadian International Trade ($ Millions)	**February**			
Exports	39,597	-2.1%	6.5%	4.3%
Imports	34,772	0.3%	8.9%	6.4%
Trade Balance	4,825	-16.2%	-8.1%	-7.5%
Employment (thousands)	**March**			
United States	137,622	0.1%	1.4%	1.5%

Source: Statistics Canada
1Year-to-date 2007 compared to the same period in 2006; 2 seasonally adjusted at annual rates, Canada Mortgage and House Corporation